

## Message Text

UNCLASSIFIED

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ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 AID-05 CIAE-00

INR-07 NSAE-00 L-03 PRS-01 /036 W

-----171710Z 067663 /43

R 171520Z JAN 77

FM AMCONSUL TURIN

TO SECSTATE WASHDC 0659

INFO AMEMBASSY ROME

AMCONSUL MILAN

AMEMBASSY PARIS

AMCONSUL MARSEILLES

UNCLAS TURIN 0024

E.O. 11652: N/A

TAGS: ECON, BEXP, IT

SUBJ: ANOTHER SMALL U.S. FIRM IN TURIN DISTRICT LIQUIDATES

1. CONSULATE HAS BEEN INFORMED BY AMERICAN CHAMBER OF COMMERCE BRANCH IN TURIN THAT ANOTHER U.S. SUBSIDIARY IN OUR DISTRICT INITIATED LIQUIDATION PROCEDURES DECEMBER 16, 1976. THE COMPANY, MMS INTERNATIONAL, S.P.A., IS A JOINT VENTURE INVOLVING BELGIAN, ITALIAN, AND AMERICAN INTERESTS FORMED MARCH 12, 1974 WITH A STAFF OF 40 EMPLOYEES. AS OF DECEMBER, 1976 ITS STOCK CAPITAL WAS ESTIMATED AT 23 MILLION LIRE (CA. 27,000 DOLS). COMPANY MANUFACTURES MISCELLANEOUS ADVERTISING ARTICLES FOR PROMOTIONAL PURPOSES. MEASURED MARKETING SERVICES, SANTA MONICA, CAL., HAS CONTROLLING INTEREST IN THE COMPANY.
2. TURIN REPRESENTATIVE OF AM. CH. INFORMS US THAT COMPANY S DECISION TO LIQUIDATE RESULTED FROM SEVERAL SERIOUS PROBLEMS. FIRM EXPORTED 90 PERCENT OF ITS PRODUCTION THROUGHOUT EUROPE AND ITS COMMERCIAL SALES OFFICES ARE LOCATED IN CANNES, FRANCE. FOR THIS REASON THEIR TELEPHONE COSTS WERE EXTREMELY HIGH. IN ADDITION, POOR POSTAL

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SERVICING FACILITIES HERE MADE IT DIFFICULT TO CONTACT THEIR CLIENTS. RECENTLY FIRM ALSO BEGAN TO HAVE PROBLEMS WITH LABOR UNIONS. THE COMPANY FINALLY DECIDED THAT COST OF OPERATION WAS TOO HIGH IN TURIN AND INITIATED LIQUIDATION PROCEDURES. THEY DISMISSED LOCAL STAFF OF 40 ON JANUARY 2.

3. COMPANY NOW PLANS TO SET UP NEW PLANT IN CANNES NEAR THEIR COMMERCIAL OFFICES. MR. ALBERT LUCKY, MANAGER OF COMPANY, IS FIRM S ONLY REMAINING EMPLOYEE IN TURIN. CONSULATE HAS ATTEMPTED TO CONTACT MR. LUCKY FOR FURTHER DETAILS ON LIQUIDATION BUT HAS BEEN UNABLE TO REACH HIM. LOCAL LABOR UNION ORGANIZATIONS MAINTAIN THAT COMPANY S DECISION TO LIQUIDATE IS ARBITRARY ... AND IN VIOLATION OF THE ITALIAN EMPLOYMENT LAW PROTECTING FACTORY WORKERS. MOREOVER, UNIONS HAVE DESCRIBED U.S. FIRM S ATTITUDE AS SIMILAR TO THE BEHAVIOR OF OTHER MULTINATIONAL (COMMENT: READ AMERICAN ) ENTERPRISES IN ITALY, AND MORE SPECIFICALLY IN TURIN PROVINCE.

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUSINESS LOSSES, BANKRUPTCIES  
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**Status:** NATIVE  
**Subject:** ANOTHER SMALL U.S. FIRM IN TURIN DISTRICT LIQUIDATES  
**TAGS:** ECON, BEXP, EINV, IT, US, MMS INTL  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009